

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2018-257-WS**

IN RE: Application of Kiawah Island Utility, Inc.)
for Adjustment of Rates and Charges)
and Modifications to Certain Terms)
and Conditions for the Provision of Water)
and Sewer and Service

AFFIDAVIT OF MAILING

Personally appeared before me, Becky Dennis, who after being duly sworn, deposes and states as follows: I am the Director of Operations of Kiawah Island Utility, Inc., I caused to be mailed on the 30 November, 2018, via First Class Mail, to all affected customers of the Applicants at the customer addresses maintained in the company's billing records, one copy of the Notice of Filing and Hearing and Prefile Testimony Deadlines in the above captioned matter.


Becky Dennis

SWORN TO AND SUBSCRIBED BEFORE ME
This 11th day of December, 2018



Notary Public for South Carolina
My Commission Expires: _____

My Commission Expires 7/2/2023



November 29, 2018

Re: Kiawah Island Utility, Inc.
PSC Docket No. 2018-257-W/S

Dear Valued Customer:

On October 25, 2018 Kiawah Island Utility, Inc. (KIU) filed an application with the South Carolina Public Service Commission (PSC) requesting approval of a new rate schedule. Attached is a copy of the Notice of Filing and Hearing as required by the PSC.

Since the last rate filing KIU has had significant increases in operational costs, including labor costs and interest expense. The only increases you have seen have been the modest increase in the cost of purchased water that was passed through to our customers and limited to the increase charged by our supplier, St. Johns Water Company.

While KIU continues to provide exceptional customer service and has been successful in meeting our customer's needs of quality and quantity of water, system age and environmental factors are impacting the utility's infrastructure and appurtenances. In many instances, these impacts have resulted in the need for more frequent component repairs and replacement.

Kiawah Island Utility's continued commitment to our nearly 4,000 customers is to ensure an adequate and reliable supply of quality water, to remain compliant with regulatory agencies, and to provide exceptional, timely response in emergency situations. We are proud that we have been able to accomplish all of this while providing water at a very competitive rate when compared to our neighboring communities.

We thank you for the privilege to serve you and are hopeful that we have provided adequate information relating to the need for this increase. However, should you need additional information, please do not hesitate to contact me directly at (843) 768-0641 or by email bdennis@swwc.com.

Respectfully,

A handwritten signature in black ink, appearing to read "Becky J. Dennis".

Becky J Dennis
Director of Operations

Enclosures

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

CLERK'S OFFICE

NOTICE OF FILING AND HEARING AND PREFILE TESTIMONY DEADLINES

DOCKET NO. 2018-257-WS

Application of Kiawah Island Utility, Inc.

Kiawah Island Utility, Inc. ("Kiawah" or "the Company") has filed an Application with the Public Service Commission of South Carolina ("the Commission") for approval of monthly water and sewer services charges as stated in the rate schedules attached to the Application as Exhibit "A". The Company also requests approval of any and all fees and charges contained in Exhibit "A". The Application was filed pursuant to S.C. Code Ann. §58-5-240 and S.C. Code Ann. Regs. 103-712.4.A and 103-512.4.A. The need and justification for Kiawah's proposed rates and charges are contained, in part, on page 4 of the Application. Some of the reasons that the Company is seeking a rate adjustment are as follows: expenses giving rise to the Application such as the Company's interest on long-term debt, payroll and benefits costs necessary for Kiawah to attract and retain qualified employees, overhead and management expenses, and a slight increase in the Company's operating margin and a reduction in the Fire Hydrant Service Charge from \$134.79 to \$110.00 per year due to a complaint from the St. John's Fire District that the charge is too high. Schedule G of the Application includes the Company's current rates, proposed rates, and percentages of increase.

THE PROPOSED NEW RATES AND CHARGES ARE SET FORTH BELOW:

Residential Water Service Charges

	Current	Proposed
Base Facilities Charge		
5/8" meter	\$ 34.29/mo.	\$ 37.71/mo.
¾" meter	\$ 51.44/mo.	\$ 56.56/mo.
1" meter	\$ 85.73/mo.	\$ 94.27/mo.
1.5" meter	\$ 171.46/mo.	\$ 188.54/mo.
2" meter	\$ 274.35/mo.	\$ 301.68/mo.
3" meter	\$ 600.14/mo.	\$ 659.91/mo.
4" meter	\$1,722.32/mo.	\$1,893.86/mo.

Base Facilities Charge for water service with meters larger than 4" shall be:

Maximum recommended meter capacity (gpm) x \$37.71 per mo.
20 gpm

Consumption Charge All up to 11,000 gal/mo.	\$4.21/1000 gal.	\$4.63/1000 gal.
Excess Consumption Charge #1 All over 11,000 gal/mo. and Up to 50,000 gal/mo.	\$4.72/1000 gal.	\$5.19/1000 gal.
Excess Consumption Charge #2 All over 50,000 gal/mo.	\$5.03/1000 gal.	\$5.53/1000 gal.

Residential Sewer Service Charges

	Current	Proposed
Base Facilities Charge		
5/8" water meter	\$ 26.20/mo.	\$ 28.81/mo.
¾" water meter	\$ 39.30/mo.	\$ 43.21/mo.
1" water meter	\$ 65.49/mo.	\$ 72.01/mo.
1.5" water meter	\$ 130.98/mo.	\$ 144.03/mo.
2" water meter	\$ 209.57/mo.	\$ 230.44/mo.

3" water meter	\$ 458.43/mo.	\$ 504.09/mo.
4" water meter	\$1,417.35/mo.	\$1,558.52/mo.

Base Facilities Charge for sewer service where water service is through meters larger than 4" shall be:
Maximum recommended meter capacity (gpm) x \$28.81 per mo.

20 gpm

Consumption Charge based on Water Usage All up to 11,000 gal/mo.	\$0.69/1000 gal.	\$0.76/1000 gal.
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Commercial Water Service Charges

	Current	Proposed
Base Facilities Charge		
5/8" meter	\$ 34.29/mo.	\$ 37.71/mo.
¾" meter	\$ 51.44/mo.	\$ 56.56/mo.
1" meter	\$ 85.73/mo.	\$ 94.27/mo.
1.5" meter	\$ 171.46/mo.	\$ 188.54/mo.
2" meter	\$ 274.35/mo.	\$ 301.68/mo.
3" meter	\$ 600.14/mo.	\$ 659.91/mo.
4" meter	\$ 1,722.32/mo.	\$1,893.86/mo.

Base Facilities Charge for water service with meters larger than 4" shall be:
Maximum recommended meter capacity (gpm) x \$37.71 per mo.

20 gpm

Consumption Charge	\$5.03/1000 gal. For all consumption	\$5.53/1000 gal. For all consumption
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Commercial Sewer Service Charges

Base Facilities Charge		
5/8" water meter	\$ 26.20/mo.	\$ 28.81/mo.
¾" water meter	\$ 39.30/mo.	\$ 43.21/mo.
1" water meter	\$ 65.49/mo.	\$ 72.01/mo.
1.5" water meter	\$ 130.98/mo.	\$ 144.03/mo.
2" water meter	\$ 209.57/mo.	\$ 230.44/mo.
3" water meter	\$ 458.43/mo.	\$ 504.09/mo.
4" water meter	\$1,417.35/mo.	\$1,558.52/mo.

Base Facilities Charge for sewer service where water service is through meters larger than 4" shall be:
Maximum recommended meter capacity (gpm) x \$28.81 mo.

20 gpm

Consumption Charge	\$ 2.68/1000 gal. For all consumption	\$ 2.95/1000 gal. For all consumption
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Hotel and Motel Service

Water	Current	Proposed
Base Facilities Charge	\$13.77/mo./room	\$15.14/mo./room
All Consumption	\$5.03/1000 gal.	\$5.53/1000 gal.
Sewer		

Base Facilities Charge	\$10.47/mo./room	\$11.51/mo./room
All Consumption	\$2.68/1000 gal.	\$2.95/1000 gal.

Irrigation Service

Water	Current	Proposed
Base Facilities Charge		
5/8" meter	\$ 34.29/mo.	\$ 37.71/mo.
¾" meter	\$ 51.44/mo.	\$ 56.56/mo.
1" meter	\$ 85.73/mo.	\$ 94.27/mo.
1.5" meter	\$ 171.46/mo.	\$ 188.54/mo.
2" meter	\$ 274.35/mo.	\$ 301.68/mo.
3" meter	\$ 600.14/mo.	\$ 659.91/mo.
4" meter	\$1,722.32/mo.	\$1,893.86/mo.

Base Facilities Charge for water service with meters larger than 4" shall be:

Maximum recommended meter capacity (gpm) x \$37.71 per month
20 gpm

Consumption Charge		
All up to 50,000 gal/mo.	\$4.72/1000 gal.	\$5.19/1000 gal.
Excess Consumption Charge	\$5.03/1000 gal.	\$5.53/1000 gal.

Fire Hydrant Service

Water	Current	Proposed
	\$134.79/hydrant	110.00/hydrant

When temporary water service from a hydrant is requested by a contractor or others, a meter will be installed and the charge will be:

\$8.00 for each day of use, Plus \$5.53/1000 gals for all water used, Plus a \$50.00 security deposit.

Golf Course Irrigation

Water	Current	Proposed
Effluent water will be billed at a rate of:		
Base Facilities Charge per Golf Course Consumption	\$4,349.68/mo. \$0.19/1000 gal.	\$4,782.91/mo. 0.21/1000 gal.
Deep well water will be billed at a rate of:		
Base Facilities Charge per Golf Course Consumption	\$1,065.54/mo. \$0.28/1000 gal.	\$1,171.67/mo. \$0.31/1000 gal.
Potable water will be billed at a rate of:		
Base Facilities Charge per Golf Course Consumption	\$815.39/mo. \$5.03/1000 gal.	\$896.60/mo. \$5.53/1000 gal.

Fire Line Service

Water	Current	Proposed
Basic Facilities Charge		
2" Line	\$8.09/mo.	\$ 8.90/mo.
3" Line	\$14.81/mo.	\$16.29/mo.
4" Line	\$25.67/mo.	\$28.23/mo.

6" Line	\$51.34/mo.	\$56.45/mo.
8" Line	\$00.00 mo.	\$98.89/mo.

A copy of the company's application can be found on the Commission's website at www.psc.sc.gov under Docket No. 2018-257-WS. Additionally, a copy of the application is available from the corporate office of Scott Elliott, Esquire, Elliott & Elliott, P.A. and Charles L. A. Terreni, Esquire, Terreni Law Firm, LLC, 1508 Lady Street, Columbia, South Carolina 29201..

Any person who wishes to participate in this matter as a party of record should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **December 27, 2018**, by filing the Petition to Intervene with the Commission, by providing a copy to the Office of Regulatory Staff and by providing a copy to all parties of record. For the receipt of future Commission correspondence, please include an email address in the Petition to Intervene. *Please refer to Docket No. 2018-257-WS and mail a copy to all other parties in this docket.* Any person who seeks to intervene and who wishes to testify and present evidence at the hearing should notify, in writing, the Commission; the Office of Regulatory Staff at 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and the company at the above address, on or before **December 27, 2018**. *Please refer to Docket No. 2018-257-WS.*

Any person who wishes to request that the Commission hold a public hearing in his or her county of residence in order to hear comments from the utility's customers, should notify, in writing, the Commission; the Office of Regulatory Staff at 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and the company at the above address, on or before **January 3, 2019**.

PLEASE TAKE NOTICE that a hearing, pursuant to S.C. Code Ann. Regs. 103-817 and S.C. Code Ann. §58-5-240, on the above matter has been scheduled to begin on **Thursday, March 28, 2019, at 10:00 a.m.**, before the Commission in the Commission's Hearing Room at 101 Executive Center Drive, Suite 100, Saluda Building, Columbia, South Carolina 29210 for the purpose of receiving testimony and evidence from all interested parties. The hearing may continue through March 29, 2019, if necessary.

INSTRUCTIONS TO ALL PARTIES OF RECORD (Applicant, Petitioners, and Intervenors only):

All Parties of Record must prefile testimony with the Commission and with all parties of record. Prefiled Testimony Deadlines: Applicant's Direct Testimony Due: **1/31/2019**; Other Parties of Record Direct Testimony Due: **2/14/2019**; Applicant's Rebuttal Testimony Due: **2/21/2019**; and Other Parties of Record Surrebuttal Testimony Due: **2/28/2019**. All Prefiled Testimony Deadlines are subject to the information as posted on www.psc.sc.gov under *Docket No. 2018-257-WS*.

For the most recent information regarding this docket, including changes in scheduled dates included in this Notice, please refer to www.psc.sc.gov and *Docket No. 2018-257-WS*.

PLEASE TAKE NOTICE that any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments in person to the Commission during the hearing.

Persons seeking information about the Commission's procedures should contact the Commission at (803) 896-5100 or visit its website at www.psc.sc.gov.

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA
DOCKET NO. 2018-257-WS
CERTIFICATE OF SERVICE

I, **Carl E. Bell**, hereby certify that I have, on this **12th day of December 2018**, served **Becky Dennis, Director of Operations of Kiawah Island Utility, Inc., Affidavit of Mailing; November 29, 2018 Letter to Kiawah Island Utility, Inc., Customers and Notice of Filing and Hearing and Prefile Testimony Deadlines**, upon the parties listed below by email:

Alexander W. Knowles

Email: aknowles@regstaff.sc.gov

Becky Dover

Email: bdover@scconsumer.gov

Carri Grube - Lybarker

Email: clybarker@scconsumer.gov

Jeffrey M. Nelson

Email: jnelson@regstaff.sc.gov

Scott Elliott

Email: selliott@elliottlaw.us



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Columbia, South Carolina
December 12, 2018